

BEFORE THE TENNESSEE STATE BOARD OF EQUALIZATION

IN RE:	TN KN Inc.)
	Dist. 1, Map 96, Control Map 96, Parcel 108.00) Henry County
	S.I. 000)
	Industrial Property)
	Tax Year 2007)

INITIAL DECISION AND ORDER

Statement of the Case

The subject property is presently valued as follows:

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$101,400	\$271,400	\$372,800	\$149,120

An appeal has been filed on behalf of the property owner with the State Board of Equalization. The undersigned administrative judge conducted a hearing in this matter on March 4, 2008 in Jackson, Tennessee. In attendance at the hearing were Rodney Gallimore, the appellant, Charles Van Dyke, Henry County Property Assessor, and staff appraiser Stan Wilson.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Subject property consists of a 13.44 acre site improved with a vacant 151,709 square foot industrial building located at 225 Highway 69N in Paris, Tennessee.

The parties stipulated subject property should be valued at \$97,500 in the event the State Board of Equalization has jurisdiction in this matter. The jurisdictional issue rises from the fact that the taxpayer did not appeal the disputed appraisal to the Henry County Board of Equalization. Instead, the taxpayer filed a direct appeal with the State Board of Equalization.

The administrative judge finds that Tennessee law requires a taxpayer to appeal an assessment to the County Board of Equalization prior to appealing to the State Board of Equalization. Tenn. Code Ann. §§ 67-5-1401 & 67-5-1412(b). A direct appeal to the State Board is permitted only if the assessor does not timely notify the taxpayer of a change of assessment prior to the meeting of the County Board. Tenn. Code Ann. §§ 67-5-508(a)(3) & 67-5-903(c). Nevertheless, the legislature has also provided that:

The taxpayer shall have right to a hearing and determination to show reasonable cause for the taxpayer's failure to file an appeal as provided in this section and, upon demonstrating such reasonable cause, the [state] board shall accept such appeal from the taxpayer up to March 1 of the year subsequent to the year in which the assessment was made.

Tenn. Code Ann. § 67-5-1412(e). The Assessment Appeals Commission, in interpreting this section, has held that:

The deadlines and requirements for appeal are clearly set out in the law, and owners of property are charged with knowledge of them. It was not the intent of the ‘reasonable cause’ provisions to waive these requirements except where the failure to meet them is due to illness or other circumstances beyond the taxpayer’s control.

Associated Pipeline Contractors, Inc. (Williamson County, Tax Year 1992). *See also John Orovets* (Assessment Appeals Commission, Cheatham County, Tax Year 1991). Thus, for the State Board of Equalization to have jurisdiction in this appeal, the taxpayer must show that circumstances beyond his control prevented him from appealing to the Henry County Board of Equalization.

The taxpayer testified that he was the high bidder when subject property was sold on the courthouse steps on March 6, 2007. Mr. Gallimore stated that he did not appeal to the Henry County Board of Equalization because he took title to the property after the Henry County Board of Equalization had adjourned.¹

The administrative judge finds that the taxpayer was prevented from appealing to the Henry County Board of Equalization due to circumstances beyond his control. Accordingly, the administrative judge finds that the taxpayer established reasonable cause for not appealing to the Henry County Board of Equalization and the State Board of Equalization has jurisdiction in this matter.

ORDER

It is therefore ORDERED that the following value and assessment be adopted for tax year 2007:

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$51,000	\$46,500	\$97,500	\$39,000

It is FURTHER ORDERED that any applicable hearing costs be assessed pursuant to Tenn. Code Ann. § 67-5-1501(d) and State Board of Equalization Rule 0600-1-.17.

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal “**must be**

¹ Normally, the court issues a decree after the property is sold and a tax deed is issued. This may occur before or after the one year statutory redemption period expires. See Tenn. Code Ann. § 67-5-2401, et seq.

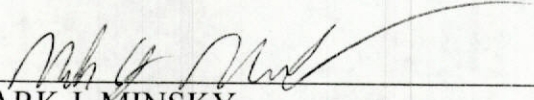
filed within thirty (30) days from the date the initial decision is sent.”

Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or

2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review; or
3. A party may petition for a stay of effectiveness of this decision and order pursuant to Tenn. Code Ann. § 4-5-316 within seven (7) days of the entry of the order.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 6th day of March, 2008.



MARK J. MINSKY
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

c: Mr. Rodney Gallimore
Charles Van Dyke, Assessor of Property